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COMPT 86-115

SUBJECT: (Optional)

Response to HPSCI on OC Grade Banding Experiment

FROM:

Robert W. Magee
Director of Personnel

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86-0142

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OFFICER'S
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Communications

30 JAN 1986

DM

Attached is our recommended response to Representative Hamilton the present Chairman of the House Permanent Select Committee on Intelligence, re the Office of Communications Grade Banding experiment. Representative Boland, when he was Chairman, HPSCI requested an annual update on the progress of our experimental pay system.

Robert W. Magee

DD/A REGISTRY
FILE: 30-93.
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7C36 Hqs

4.

5. Deputy Director for
Administration
7D18 Hqs

6.

7. Director, Office of
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7B24 Hqs

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9. Executive Registry
7E12 Hqs

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Executive Director

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SECRET

Central Intelligence Agency



Washington, D.C. 20505

The Honorable Lee H. Hamilton
Chairman
House Permanent Select Committee on Intelligence
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This letter is written to provide you with an update on our experiences with the experimental grade banding pay program we are conducting in the Agency's Office of Communications. At this time, we have just completed our first year of operation under the experimental program. While it is still too early to fully assess the long-term impact of the program on recruitment and retention, or on overall payroll costs, we continue to be optimistic about the future utility of pay-for-performance in the Agency.

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We have completed an attitude survey of participants in the experimental program to assess the acceptance of pay-for-performance by participating employees, and to assess their understanding of the program. Our initial response from participants indicates that they do understand the new pay program, and that over 75 percent of those responding to the survey are supportive of a pay-for-performance system. We are currently conducting a follow-up attitude survey to assess the changes in attitudes after the first performance awards were granted in September 1985, but will not have the results until spring 1986.

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The Honorable Lee H. Hamilton

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I believe that pay-for-performance is a cost-effective way of motivating our people to continue to collect, evaluate, and disseminate the quality intelligence required by policymakers. I am also conscious of the need to conserve our personnel dollars. We are currently reviewing the administrative procedures in the pay banding experiment to refine them and assure that long-term costs remain within our budgeted projections. The results of this analysis will be used to revise the pay guidance for the experimental group next year, and for out years. [REDACTED]

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As we continue to evaluate the experimental pay system, I look forward to sharing our experiences with you and members of your staff. [REDACTED]

25X1

Sincerely,

William J. Casey
Director of Central Intelligence

CP/PA&E/PMCD [REDACTED]

(27 Jan 86)

25X1

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